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SUBJECT: UPDATE ON NEPAL'S MAOIST INSURGENCY, JULY 4-11

REFERENCE: KATHMANDU 0860

SUMMARY

1. Informal talks proposed for July 11 between Nepal Government and Maoist negotiators failed to materialize, amid continuing controversy over the terms of agreements allegedly reached during the second round of talks (Reftel). As peace talks remain stalled, senior Maoists declared that they are preparing for both talks and war. Sir Jeffrey James, the British special envoy to Nepal, said his government supports peace in Nepal, but also pledged continued assistance to Nepal's security forces to counter Maoist attacks. A former Maoist commander claims that Maoists are "stretched to the limit," and are using anti-American rhetoric as a means of securing their own refuge in neighboring India. A weekly report issued on July 4 by the Informal Sector Service Center (INSEC), a local human rights organization, showed that 199 people have been abducted by the Maoists since the declaration of the ceasefire on January 29. Amnesty International (AI) claimed that the Government of Nepal (GON) and the Maoists are not serious about the peace negotiations. Maoist attacks on security personnel and civilians continue, including the severe beating of three civilians that killed one and injured two others, and the obstruction of infrastructure projects. According to the National Planning Commission (NPC), a program that aims to enhance security and development projects in Maoist affected districts will be expanded in the next fiscal year. End Summary.

PROPOSED DATE PASSES WITHOUT TALKS

2. Despite attempts to bring representatives from the Government of Nepal (GON) and Maoist negotiating teams to the table on June 11, no such meeting occurred. Padma Ratna Tuladhar, Maoist appointed peace talks facilitator, said on July 8 that the GON and the Maoists would meet informally on Friday, July 11. Tuladhar, speaking at the Reporter's Club, said uncertainty remained over the implementation of agreements allegedly reached during the second round of negotiations (Reftel), but that both sides claimed they were committed to peace. He also suggested that the King intervene to initiate the third round, and allow Maoist leaders to meet with him.

3. Representatives from the GON's and Maoists' negotiation teams, however, reportedly did meet on July 3 for informal talks. The GON was represented by Kamal Thapa, Minister of Communications, and Dr. Prakash Chandra Lohani, Finance Minister and GON team leader, while only two of the Maoists' negotiating team members, Krishna Bahadur Mahara and Ram Bahadur Thapa (alias Badal), represented the Maoists. Badal reportedly demanded that the GON immediately implement agreements regarding restricted deployment of the Royal Nepal Army (RNA) allegedly reached during the second round of talks. However, as Minister Thapa has said as recently as July 4, all decisions reached during the second round were not final.

4. The controversial issue of the army's restriction to a 5-kilometer radius from its barracks seemingly remains a major obstacle. The local press reports that the RNA remains adamantly opposed to the idea, quoting an army official on July 4 as saying that to implement it would be "surrendering the very concept of national security." In addition, security forces want several issues put on the agenda for the third round of talks, including the return of looted weapons by the Maoists.
MAOISTS PREPARED FOR WAR OR PEACE

15. Due to apparent skepticism regarding the future of the peace negotiations, Maoist leaders are preparing for other options. Badal, military chief of the Maoists, declared on July 4 that the Maoists are preparing for both talks and war. Speaking at the general convention of the All-Nepal National Independent Students' Union-Revolutionary (ANNISU-R), the Maoist affiliated student organization, Badal claimed that security personnel are "unilaterally violating the code of conduct," forcing the Maoists to prepare themselves against any large-scale violence by the government. (Note: Embassy has seen no evidence that the RNA is violating the code of conduct in any systematic or substantial way. End note).

16. Local Maoist commanders in the eastern district of Khotang reportedly have changed tactics too, warning that they are capable of carrying out operations on their own, regardless of "higher orders" from Maoist leaders. According to Maoist commanders in the district, security personnel have resumed security operations and openly harass Maoist cadres. The insurgents declared that they are prepared to "face the problems on our own" and were ready for any retaliation by security personnel. The district administration denied the insurgents' claims, and said security forces are on high alert only after the insurgents extorted money from most of the government offices in the district headquarters.

BRITISH ENVOY PLEDGES CONTINUED SUPPORT TO GON

17. In an interview on July 7 with the national news agency of the GON, a senior official of the British Foreign and Commonwealth Office said that his government wants to see peace in Nepal and welcomes the sustained ceasefire. The official also said that Sir Jeffrey James, the British special envoy to Nepal, has affirmed his government's commitment to providing training and other non-lethal assistance to Nepal's security forces to counter any resumption of hostilities. James reportedly warned against the resumption of hostilities, declaring that it would have a "devastating impact" on the lives of ordinary Nepalese.

INSIGHT OF AN EX-MAOIST

18. A July 10 op-ed written by a former Maoist for a weekly English language newspaper claims that Maoists are "stretched to the limit" trying to maintain the morale of their cadres, and agreed to a ceasefire because of American pressure on India to deny Maoist leaders refuge there. Puskar Gautam, a former Maoist commander and present member of the left-wing Communist Party of Nepal-United Marxist Leninist (CPN-UML), claims that the Maoist leaders have realized that the "people's war" is unacceptable to India and impossible to sustain, and therefore, have adopted new tactics. The Maoists reportedly are trying to present themselves as a party dedicated to peace, and Gautam speculates that the "Prachanda Path" is developing into a multi-party peoples' movement because the insurgents need assistance. Gautam claims that the Maoists' increased anti-American rhetoric is an attempt to incite nationalism, alarm security officials in Beijing and New Delhi, and ensure refuge in India if peace negotiations fail.

ABDUCTIONS RAMPANT DURING CEASEFIRE

19. A weekly report issued on July 4 by the Informal Sector Service Center (INSEC), a local human rights organization, showed that 199 people have been abducted by Maoists since the declaration of the ceasefire on January 29. The highest number of victims, twenty-four, were taken from the far-eastern district of Taplejung. The report states that seventy-four people have been released, but 125 remain missing. Representatives from INSEC told the Embassy that they were unable to obtain information regarding whether or not ransom had been paid to secure the release of those set free.

110. The National Human Rights Commission (NHRC) has cited concern over human rights violations by the Maoists, particularly the abductions of political activists, and sent a letter to the Maoists on July 10 calling for the immediate release of abductees. NHRC also urged the Maoists to honor their professed commitment to human rights.

AI CLAIMS GON AND MAOISTS "NOT SERIOUS"

111. Frustrated by failed attempts to meet with GON representatives and Maoist negotiating team members, Ingrid Massage, Deputy Director of the Asia-Pacific Regional Program of Amnesty International (AI), said on July 6 that

neither the GON nor the Maoists was serious about human rights. She expressed disappointment that representatives from the GON and Maoists did not meet visiting AI representatives. Massage also appealed to the public to put pressure on both sides to sign a human rights agreement.

ATTACKS ON SECURITY PERSONNEL

112. A platoon commander of the Maoists was arrested on July 8 for allegedly attacking police personnel in Rautahat District. In the far west district of Doti, five RNA soldiers were wounded after being fired on by Maoists in a confrontation on July 4. According to a press statement issued by the Defense Ministry, the soldiers were attacked while patrolling the area. On July 5 a Maoist activist in custody in Accham District attempted to escape after snatching a weapon from a soldier. Security personnel fired on the insurgent as he fled.

113. A team of joint security forces destroyed a Maoist training camp in Panchthar District on July 8. There were no injuries reported as the insurgents had evacuated the camp the prior week.

114. The local press reported on July 3 that Bangladesh security agents seized a cache of ammunition and explosives reportedly destined for use by Maoists throughout Nepal. Over 90,000 bullets and almost two hundred kilograms of explosives allegedly were seized from the homes of activists from two of Bangladesh's prominent political parties.

MAOIST ATROCITIES CONTINUE

115. Maoist cadres continue to ignore the code of conduct by abducting, assaulting and killing civilians. A district committee secretary in Kalikot was physically assaulted in public on July 6 and then abducted. According to local villagers, the insurgents have threatened to kill him. Three former Maoists who returned to their homes in Dhankuta District after surrendering to the district administration allegedly were tortured severely by Maoists. They reportedly were abducted from their homes by armed Maoists on July 4. On the same day insurgents beat a civilian to death and severely injured two others in Kailali District. The insurgents justified their actions by claiming they were avenging the death of one of their cadres.

116. In the southwestern district of Dang, a Maoist stronghold, insurgents reportedly have taken control of over half a dozen government offices. According to local villagers the insurgents are running the customs office and collecting taxes. They also have taken control of forest offices, animal check posts, health posts, and post offices. Maoists reportedly are using some of the offices as shelter after government workers fled the area in fear. (Note: The Maoists launched a brutal attack on the police post of Koilabas in the district on December 18, 2002 after which there has been no security personnel in the area. End note).

117. Maoists in Kailali District reportedly have halted the construction of a bridge intended to facilitate travel during monsoon season. The bridge has been constructed during monsoon season for the past two years with the financial assistance of private American citizens and local funds. The insurgents declared that the bridge posed a security threat to them.

SECURITY AND DEVELOPMENT PLAN UNDERWAY

118. The Integrated Security and Development Program (ISDP), which aims to enhance security and development projects in Maoist affected districts, will be expanded in the next fiscal year, according to the National Planning Commission (NCP). The program, currently implemented in Gorkha District, will be expanded to include over twenty of the most affected districts. The program has enjoyed some success in Gorkha, where security has been enhanced, government services restored, and various infrastructure facilities repaired, including schools and hospitals.

MALINOWSKI